

GUARANTY

THIS GUARANTY ("Guaranty") is executed as of December 27, 2001, by THE BOEING COMPANY, a Delaware corporation ("Guarantor"), for the benefit of LOMITA PARTNERS, LLC, a California limited liability company ("Buyer"), with reference to the following facts:

RECITALS

A. Concurrently herewith, Buyer is purchasing that certain real property in the City of Torrance, County of Los Angeles, State of California, more particularly described on Exhibit "1" attached hereto (the "Property") from Guarantor's wholly-owned subsidiary, BOEING ELECTRON DYNAMIC DEVICES, INC., a Delaware corporation ("Seller"), and, in connection therewith, Seller and Buyer have entered into that certain ENVIRONMENTAL INDEMNIFICATION, REMEDIATION, ACCESS, USE AND WAIVER OF CLAIMS AGREEMENT of even date herewith (the "Environmental Indemnity"). Unless otherwise defined herein, all capitalized terms used in this Guaranty shall have the same meanings as set forth in the Environmental Indemnity.

B. In connection with the foregoing, and subject to the Guaranteed Monetary Limit (as defined below) and the other limitations set forth below, Guarantor has agreed to guaranty the obligations of Seller under the Environmental Indemnity as set forth below.

NOW, THEREFORE, for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. Guaranty. Guarantor hereby irrevocably and unconditionally guarantees to Buyer and to all other Covered Parties, as that term is defined in Section 1(c) of the Environmental Indemnity (each is hereinafter referred to as the "Guaranteed Party") the following:

- (a) The due and punctual payment of each amount which Seller has become obligated to pay under and in accordance with the terms of the Environmental Indemnity (such payment and other obligations being herein referred to as the "Obligations") in the event of (i) any nonpayment by Seller and (ii) notice from Buyer to Guarantor of such nonpayment; and
- (b) The due and punctual payment of all reasonable expenses (including, without limitation, all reasonable fees and disbursements of outside counsel) that have been expended by the Guaranteed Party in successfully collecting against Guarantor under this Guaranty upon notice from the Guaranteed Party of nonpayment by Seller.

The obligation of Guarantor to make any payments hereunder shall be subject to the Guaranteed Monetary Limit and the terms and conditions of the Environmental Indemnity applicable to the Obligations.

2. Conditions and Acknowledgements. Guarantor's obligations under Paragraph 1 of this Guaranty are subject to receipt and verification of a certificate, signed by two (2) officers of the Guaranteed Party, stating that the Guaranteed Party is entitled to payment under this Guaranty, demand has been made on Seller for payments in accordance with the terms of the Obligations, Seller has failed to make payment in accordance with the terms of the Obligations, and setting forth the amount of payment to which the Guaranteed Party is entitled. Guarantor acknowledges that Guarantor has been provided a copy of the Environmental Indemnity and has read and understands all of the provisions of the Environmental Indemnity. Guarantor acknowledges further that the Environmental Indemnity is a material component of the sale transaction between Seller and Buyer and that Guarantor will derive benefits from the consummation of such sale transaction as the owner of Seller.

3. Limitations; Estoppel. Notwithstanding any other provision of this Guaranty, Guarantor's financial obligations under this Guaranty shall not exceed, in the aggregate over any period of time, Five Million Dollars (\$5,000,000) (the "Guaranteed Monetary Limit"). Guarantor shall, upon not less than twenty (20) days prior written notice from a Guaranteed Party, provide such party with an estoppel certificate confirming, if accurate, (i) the effectiveness of this Guaranty, and (ii) the recognition of such Guaranteed Party as a Guaranteed Party, and (iii) the extent, if any, that Guarantor has then incurred financial obligations under this Guaranty (i.e., the then remaining available amount of the Guaranteed Monetary Limit).

4. Absolute Guarantee. This Guarantee is an absolute, unconditional and continuing guarantee of payment and not of collection.

5. Continuing Obligations. If this Guarantee is terminated, rejected or disaffirmed as a result of bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar proceedings with respect to Seller, Guarantor's obligations hereunder shall continue to the same extent as if the same had not been so terminated, rejected or disaffirmed. Guarantor shall and does hereby waive all rights and benefits which might, in whole or in part, relieve Guarantor from the performance of its duties and obligations by reason of any such proceeding, and Guarantor shall be liable for all sums guaranteed which become due and payable, in respect of and without regard to, any modification, limitation or discharge of the liability of Seller that may result from any such proceedings. The obligations of Guarantor hereunder shall not be discharged by:

- (a) any waiver, consent or other action or inaction or any exercise or non-exercise of any right, remedy or power with respect to Seller, or any change in the structure of Seller; or
- (b) any change in ownership of the shares of capital stock of Guarantor or Seller or any other merger or consolidation of either thereof into or with any other person.

6. Automatic Reinstatement. The obligations of Guarantor hereunder shall be automatically reinstated if and to the extent that any payment by or on behalf of Seller in respect of any of the Obligations is rescinded or must be otherwise restored by the Guaranteed Party as a result of any proceedings in bankruptcy or reorganization or similar proceedings.

7. Severability. Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8. Successors and Assigns. This Guarantee shall be binding upon Guarantor's successors and assigns.

9. Notices. All notices, requests and demands to or upon Guarantor shall be made in accordance with the terms of the Environmental Indemnity and, if delivered to Guarantor, shall be addressed to:

The Boeing Company, Attn: Treasurer

P.O. Box 3707, M/S 10-17

Seattle, Washington 98124

Telephone: 206-655-7004

Facsimile: 206-544-2791

or to such other address(es) as Guarantor may designate to Buyer in writing.

10. Amendments, etc. No amendment or waiver of any provision of this Guarantee, nor consent to any departure therefrom by Guarantor, shall in any event be effective unless the same shall be in writing and signed by Guarantor and the Guaranteed Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

11. Headings. Section and paragraph headings in this Guarantee are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions of this Guarantee.

12. Governing Law. This Guarantee shall in all respects be governed by, and construed in accordance with, the laws of the State of California (other than with respect to conflicts of laws, including all matters of construction, validity and performance).

13. Modifications. The obligations of Guarantor hereunder shall not be released by any modification, extension, renewal or other amendment of the Environmental Indemnity, regardless of whether Guarantor consents thereto or receives notice thereof; but such modification shall not serve to extend or increase the obligations or liability of Guarantor hereunder unless Guarantor has expressly consented to the modification or to the provisions of such modification which would give rise to the increased obligation or liability.

14. Attorneys' Fees. In the event of any litigation between Guarantor and a Covered Party with respect to the subject matter hereof, the nonprevailing party to such litigation agrees to pay to the prevailing party all fees, costs and expenses thereof, including actual attorneys' fees and other expenses actually and reasonably incurred.

15. Entire Agreement. This Guaranty constitutes the entire agreement between Buyer and Guarantor with respect to the subject matter hereof, superseding all prior oral or written agreements or understandings with respect thereto. This Guaranty may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Buyer and any Covered Party who has acquired title to the Property at the time of such proposed change, modification, discharge or termination of this Guaranty.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

GUARANTOR:

THE BOEING COMPANY, a Delaware corporation

By: 
Stephen J. Barker
Authorized Signatory

By: _____

EXHIBIT 1

DESCRIPTION OF PROPERTY

THE SURFACE AND THAT PORTION OF THE SUBSURFACE LYING ABOVE A PLANE 500 FEET IN DEPTH MEASURED VERTICALLY FROM THE SURFACE AS SAID SURFACE EXISTED ON JANUARY 27, 1959 OF PARCEL 2, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN UPON PARCEL MAP NO. 2789, FILED IN BOOK 38 PAGE 82 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBON SUBSTANCES AND OTHER MINERALS IN OR UNDER SAID LAND, OR THAT MAY BE PRODUCED THEREFROM, BUT WITH NO RIGHT OF ENTRY UPON OR THROUGH THE SURFACE OF OR THAT PORTION OF THE SUBSURFACE LYING 500 FEET VERTICALLY IN DEPT BELOW THE SURFACE THEREOF, AS RESERVED BY W. J. EARLY AND DAISY LEE EARLY, HIS WIFE. IN DEED RECORDED MAY 18, 1966 AS INSTRUMENT NO. 734 IN BOOK D-3307 PAGE 924, OFFICIAL RECORDS OF SAID COUNTY.